

1619

RECEIVED  
LEGISLATIVE AUDITOR  
02 JUN 17 AM 10:14

**THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISH OF CALCASIEU, LOUISIANA**

**ANNUAL GENERAL PURPOSE FINANCIAL REPORT  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
DECEMBER 31, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/26/02

THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA

TABLE OF CONTENTS

	Statement	Page No.
Report of Independent Auditors		3-4
General Purpose Financial Statements:		
All Fund Types and Account Groups:		
Combined Balance Sheet	A	5-6
Governmental Fund Type:		
Statement of Revenues, Expenditures, and Changes in Fund Balance	B	7
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budgetary Basis)	C	8-9
Notes to Financial Statements		10-19
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		20-22
Summary of Auditor's Results		23
Schedule of Prior Year Findings and Questioned Costs		24

# McELROY, QUIRK & BURCH

*A Professional Corporation • Certified Public Accountants • Since 1925*  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
337 433-1063 • Fax 337 436-6618 • Web page: [www.mqb-cpa.com](http://www.mqb-cpa.com)

R:\04001-05000\04290-0\2001\Financial Statements\IDB FR.Wpd

Carl W. Comcaux, CPA  
Barbara Hutson Gonzales, CPA  
Martin L. Chelotsky, CPA, CFE  
Robert M. Gani, CPA, MT  
Tina Demarest Barrett, CPA, CVA  
Mollie C. Broussard, CPA



Billy D. Fisher, CPA  
Jason L. Guillory, CPA  
Greg P. Naquin, CPA, CFP™

Charles P. Quirk, CPA, Retired  
Otray J. Woods Jr., CPA, Inactive  
Robert F. Cargile, CPA, Inactive  
William A. Mancuso, CPA, Retired  
Judson J. McCann Jr., CPA, Retired

CFE - Certified Fraud Examiner  
MT - Masters of Taxation  
CVA - Certified Valuation Analyst  
CFP - Certified Financial Planner

## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
The Fourteenth Judicial District  
Indigent Defender Board  
Parish of Calcasieu, Louisiana  
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana (the Board), a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana, as of December 31, 2001, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2002, on our consideration of The Fourteenth Judicial District Indigent Defender Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Ms Elroy, Quirk & Burch*

Lake Charles, Louisiana  
May 3, 2002

THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET  
December 31, 2001

ASSETS	Governmental Funds- General Fund	Account Groups	
		General Fixed Assets	General Long-Term Obligations
Cash and cash equivalents	\$ 178,435	\$ -	\$ -
Restricted assets:			
Cash-district assistance fund	699	-	-
Receivables:			
Court cost on fines and forfeitures	64,911	-	-
Fixed assets	-	157,598	-
Other assets:			
Rent deposit	10,560	-	-
Amount to be provided for retirement of general long-term obligations	-	-	1,000
<b>Total assets</b>	<b>\$ 254,605</b>	<b>\$ 157,598</b>	<b>\$ 1,000</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 34,209	\$ -	\$ -
Accounts payable (payable from restricted assets)	-	-	-
Payroll taxes payable	8,470	-	-
Annual leave payable	22,135	-	1,000
Other liabilities	4,470	-	-
<b>Total liabilities</b>	<b>69,284</b>	<b>-</b>	<b>1,000</b>
Fund balance:			
Investment in general fixed assets	-	157,598	-
Fund balance:			
Reserved for district assistance fund	699	-	-
Designated for operating costs	121,420	-	-
Designated for capital defense	63,202	-	-
Unreserved-undesignated	-	-	-
<b>Total fund balance</b>	<b>185,321</b>	<b>157,598</b>	<b>-</b>
<b>Total liabilities and fund     balance</b>	<b>\$ 254,605</b>	<b>\$ 157,598</b>	<b>\$ 1,000</b>

See Notes to Financial Statements.

Totals (Memorandum Only)	
<u>2001</u>	<u>2000</u>
\$ 178,435	\$ 273,560
699	41,897
64,911	62,945
157,598	157,598
10,560	10,560
<u>1,000</u>	<u>1,000</u>
<u>\$ 413,203</u>	<u>\$ 547,560</u>
\$ 34,209	\$ 6,604
-	89,945
8,470	1,092
23,135	34,173
4,470	2,999
<u>70,284</u>	<u>134,813</u>
157,598	157,598
699	63,813
121,420	274,333
63,202	-
-	(82,997)
<u>342,919</u>	<u>412,747</u>
<u>\$ 413,203</u>	<u>\$ 547,560</u>

THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA  
GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended December 31, 2001  
With Comparative Amounts for the Year Ended December 31, 2000

	General Fund	
	2001	2000
Revenues:		
Court costs on fines and forfeitures	\$ 973,013	\$ 872,053
Intergovernmental revenue:		
Grants-Louisiana Indigent Defender Board	66,928	32,631
Fees from indigents	3,970	9,010
Use of money and property - interest earnings	6,120	15,044
Other income	514	-
Total revenues	<u>1,050,545</u>	<u>928,738</u>
Expenditures:		
General government-judicial:		
Salaries and related benefits	642,968	709,756
Professional services	259,873	346,622
Litigation support	2,574	41,275
Library	12,376	5,999
Material and supplies	25,968	29,735
Travel	3,624	3,833
Rent	128,520	118,044
Telephone	12,373	12,564
Other operating expenditures	32,097	41,559
Capital outlay and equipment	-	14,458
Total expenditures	<u>1,120,373</u>	<u>1,323,845</u>
(Deficiency) of revenues over expenditures	(69,828)	(395,107)
Fund balance, beginning	<u>255,149</u>	<u>650,256</u>
Fund balance, ending	<u>\$ 185,321</u>	<u>\$ 255,149</u>

See Notes to Financial Statements.



THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA  
GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
Year Ended December 31, 2001  
With Comparative Actual Amounts for the Year Ended December 31, 2000

	<u>2001</u>			<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Court costs on fines and forfeitures	\$ 971,571	\$ 971,571	\$ -	\$ 875,758
Intergovernmental revenues:				
Grant-Louisiana Indigent Defender Board	66,928	66,928	-	32,631
Fees from indigents	3,445	3,445	-	9,595
Use of money and property- interest earnings	6,120	6,120	-	15,044
Other income	514	514	-	-
Total revenues	<u>1,048,578</u>	<u>1,048,578</u>	<u>-</u>	<u>933,028</u>
Expenditures:				
General government-judicial:				
Salaries and related benefits	658,576	654,005	4,571	714,386
Professional services	251,827	252,422	(595)	284,747
Litigation support	2,495	2,574	(79)	9,863
Library	12,436	12,376	60	5,999
Materials and supplies	22,270	25,968	(3,698)	29,975
Travel	3,625	3,624	1	3,833
Rent	128,520	128,520	-	118,043
Telephone	12,215	12,373	(158)	12,563
Other operating expenditures	30,997	32,097	(1,100)	41,665
Capital outlay and equipment	-	-	-	14,458
Total expenditures	<u>1,122,961</u>	<u>1,123,959</u>	<u>(998)</u>	<u>1,235,532</u>

(continued on next page)



THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA  
GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
Year Ended December 31, 2001  
With Comparative Actual Amounts for the Year Ended December 31, 2000  
(Continued)

	<u>2001</u>		<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
(Deficiency) of revenues over expenditures (budgetary basis)	(74,383)	(75,381)	(302,504)
Other revenue sources:			
Appropriation of prior year fund balance	<u>74,383</u>	<u>-</u>	<u>-</u>
(Deficiency) of revenues and other revenue sources over expenditures (budgetary basis)	<u>\$ -</u>	(75,381)	(302,504)
Adjustments:			
To adjust revenues for accruals		1,966	(4,290)
To adjust expenditures for accruals		<u>3,587</u>	<u>(88,313)</u>
(Deficiency) of revenues over expenditures (GAAP basis)		(69,828)	(395,107)
Fund balance, beginning		<u>255,149</u>	<u>650,256</u>
Fund balance, ending		<u>\$ 185,321</u>	<u>\$ 255,149</u>

See Notes to Financial Statements.

THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2001

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Fourteenth Judicial District Indigent Defender Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana (the Board), is established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the Parish of Calcasieu, Louisiana.

The Indigent Defender Board is composed of seven board members appointed by the judges of the Fourteenth Judicial District Courts. Compensation for services is prohibited and members of the Board were paid no per diem payments or compensation during 2001 by the Board for their services on The Fourteenth Judicial District Indigent Defender Board. The Board employs nineteen employees and six contract attorneys.

The Indigent Defender Board is a component unit of the Calcasieu Parish Police Jury, the primary government which is financially accountable for the Board. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

## NOTES TO FINANCIAL STATEMENTS

The financial statements of the Board include all operations and activities under control and authority of the Board and it was determined that no other agency should be included in this reporting entity.

### C. FUND ACCOUNTING

The Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The financial statements in this report are grouped into one governmental fund type, the General Fund, and two account groups, the General Fixed Assets Account Group and the General Long-Term Obligations Account Group.

### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets.

The Board's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

## NOTES TO FINANCIAL STATEMENTS

### Revenues:

Revenues collected in the current period that were measurable and available as net current assets of the prior period are adjusted out of current revenue. Uncollected revenues that are measurable and available as net current assets of the current period are recognized as revenue. Court costs are considered "measurable" when in the hands of the various courts. Grant income is considered measurable when received.

### Expenditures:

Expenditures are adjusted to record in the current period only those expenditures for which the related fund liability was incurred in the current period.

### Pervasiveness of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## E. BUDGET PRACTICES

The Director prepares a proposed annual budget and submits same to the Board of Directors no later than fifteen days prior to the beginning of each fiscal year. The budget includes proposed expenditures and the means of financing them.

The budget is employed as a management tool during the year by the Board of Directors; however, all expenditures are approved by the Directors on a monthly basis and revenue is reviewed monthly. Any revisions that alter total expenditures are approved by the Board.

## NOTES TO FINANCIAL STATEMENTS

The budget for the Board is adopted on the cash basis, which is not in conformity with generally accepted accounting principles (GAAP). All budgetary proposed expenditures lapse at the end of each year. Encumbrance accounting is not used.

### F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and daily cash accumulation fund.

Under state law, the Board may deposit funds within a fiscal agent bank in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Further, the Board may invest in United States bonds, treasury notes, or certificates, time deposits of state banks organized under Louisiana law and national banks, or any other federally insured investment.

### G. FIXED ASSETS

Fixed assets used in governmental fund type operations are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

### H. COMPENSATED ABSENCES

The Board has the following policy related to vacation and sick leave:

The cost of current leave privileges is recognized as a current year expenditure in the General Fund when leave is actually taken. The cost of vacation leave not requiring current resources is recorded in the general long-term obligations account group.

Sick pay is not vested and, therefore, is not recorded as a liability in the accompanying financial statements. Other than maternity leave of six weeks, there is no formal sick pay plan.



## NOTES TO FINANCIAL STATEMENTS

### I. BAD DEBTS

No reserve for uncollectible receivables had been recorded as of December 31, 2001, as all receivables were considered collectible.

### J. FUND EQUITY

#### Reserves:

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Grant revenue received from the Louisiana Indigent Defender Board is restricted in accordance with the grant agreement.

#### Designated fund balance:

Designated fund balances represent tentative plans for future use of financial resources. The Board had designated \$121,420 of its General Fund equity for anticipated operating costs of the public defender's office as of December 31, 2001.

Designated for capital defense represents the portion of fund balance restricted by the Board for the payment of capital defense claims. During year 2001, the Board designated a portion of court costs to be used for the payment of cost related to capital defense cases.

### K. COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Board's financial position and operations. However, presentation of prior year's totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

## NOTES TO FINANCIAL STATEMENTS

### L. TOTAL COLUMNS ON STATEMENTS

The total columns of the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

### Note 2. CASH AND CASH EQUIVALENTS

At December 31, 2001, the Board had cash and cash equivalents (book balances) as follows:

Demand deposits:	
Operating	\$ 3,249
Trust	982
Board account	21,077
Capital defense	63,202
Restricted cash - District assistance fund	<u>699</u>
	89,209
Daily cash accumulation fund:	
Contingent fund	<u>89,925</u>
Total cash and cash equivalents	<u>\$ 179,134</u>

The Board's deposits (or the resulting bank balances), under state law, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. As of December 31, 2001, the Board's deposits were entirely covered by FDIC insurance or by pledge of securities owned by the financial institution in the Board's name. The deposits at December 31, 2001 classified to give an indication of the level of risk assumed by the Board are as follows:



# NOTES TO FINANCIAL STATEMENTS

	<u>Demand Deposits</u>	<u>Daily Cash Accumulation Fund</u>
Carrying amount	<u>\$ 89,209</u>	<u>\$ 89,925</u>
Bank balances:		
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 100,000	\$ -
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	6,462	89,925
c. Uncollateralized, including any securities held for the entity but not in the entity's name	<u>-</u>	<u>-</u>
Total bank balances	<u>\$ 106,462</u>	<u>\$ 89,925</u>

## Note 3. CHANGES IN GENERAL FIXED ASSETS

A summary of general fixed assets and funding sources follows:

	<u>Operating</u>	<u>District Assistance Fund</u>	<u>Total</u>
Furniture and equipment	\$ 74,472	\$ 83,126	\$ 157,598

There were no changes to fixed assets during 2001.

## Note 4. GENERAL LONG-TERM OBLIGATIONS

Long-term obligation funds are used for compensating long-term absences. The balance in this account was \$1,000 at December 31, 2001.

# NOTES TO FINANCIAL STATEMENTS

## Note 5. FUND BALANCE - RESERVED FOR DISTRICT ASSISTANCE FUND

The Board has received grant revenue from the Louisiana Indigent Defender Board (LIDB) in order to provide supplemental funding for the defense of indigent persons accused of capital and felony crimes. The funds from this grant are restricted to the specific uses as determined by the LIDB at the time the funds are granted. The funds received from this grant and the related expenditures during the year were as follows:

Revenues:	
Grants received	\$ 66,928
Use of money and property- interest earnings	<u>840</u>
Total revenues	<u>67,768</u>
Expenditures and transfers:	
Salaries and related benefits	64,522
Other operating expenditures	192
Transfer to capital defense fund	<u>44,252</u>
Total expenditures and transfers	<u>108,966</u>
(Deficiency) of revenues over expenditures and transfers	<u>\$ (41,198)</u>

The 2002 deficiency was funded with unexpended prior year's receipts.

## Note 6. DESIGNATED FUND BALANCE - CAPITAL DEFENSE FUND

The Board has designated a portion of court costs to be used for the payment of cost related to capital defense cases. Designated for capital defense represents the portion of fund balance designated for the payment of capital defense claims. The funds received and the related expenditures during the year and resulting fund balance were as follows:

# NOTES TO FINANCIAL STATEMENTS

Fund balance at beginning of year	\$ <u>-</u>
Revenues and transfers:	
Court cost on fines	110,599
Client reimbursement	250
Transfer from district assistance fund	<u>44,252</u>
Total revenues and transfers	<u>155,101</u>
Expenditures:	
Professional services incurred - 2000	88,973
Professional services incurred - 2001	2,777
Other operating expenditures	<u>149</u>
Total expenditures	<u>91,899</u>
Excess of revenues and transfers over expenditures	<u>63,202</u>
Fund balance at end of year	\$ <u><u>63,202</u></u>

## Note 7. PENSION PLAN

Substantially all of the Board's employees participate in the federal social security program. The Board is required to remit an amount to the Social Security Administration equal to the employee's contribution.

## Note 8. OPERATING LEASE

The Board leases office space from Charleston Business Center, Inc. under an operating lease expiring in 2005. Minimum future rental payments under the noncancellable operating lease for each of the next 5 years are:

December 31,	
2002	\$ 126,720
2003	126,720
2004	126,720
2005	<u>21,120</u>
Total minimum future rental payments	\$ <u><u>401,280</u></u>

## NOTES TO FINANCIAL STATEMENTS

### Note 9. BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual-General Fund presents comparisons of the adopted budget (more fully described in Note 1) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis differences in excess (deficiency) of revenues over expenditures for the year ended December 31, 2001 is presented on the budgetary comparison statement, Statement C.

# McELROY, QUIRK & BURCH

*A Professional Corporation • Certified Public Accountants • Since 1925*  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
337 433-1063 • Fax 337 436-6618 • Web page: [www.mqb-cpa.com](http://www.mqb-cpa.com)

Carl W. Comeaux, CPA  
Barbara Hutson Gonzales, CPA  
Martin L. Chehotsky, CPA, CFE  
Robert M. Gani, CPA, MT  
Tina Demarest Barrett, CPA, CVA  
Mollie C. Broussard, CPA



Billy D. Fisher, CPA  
Jason L. Guillory, CPA  
Greg P. Naquin, CPA, CFP™

Charles P. Quirk, CPA, Retired  
Otray J. Woods Jr., CPA, Inactive  
Robert E. Cargile, CPA, Inactive  
William A. Mancuso, CPA, Retired  
Judson J. McCann Jr., CPA, Retired

CFE - Certified Fraud Examiner  
MT - Masters of Taxation  
CVA - Certified Valuation Analyst  
CFP - Certified Financial Planner

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
The Fourteenth Judicial District  
Indigent Defender Board  
Parish of Calcasieu, Louisiana  
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 3, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Fourteenth Judicial District Indigent Defender Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.



## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fourteenth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters, as described below, involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Fourteenth Judicial District Indigent Defender Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

2001-01

Criteria:	Effective internal control requires adequate segregation of duties among entity personnel.
Condition:	Because of the small size of the Board's office staff, the opportunity for segregation of duties is limited.
Effect:	Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

This condition was also reported as a result of the prior year's audit.

Response:	Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of responsibilities. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.
-----------	---

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that

might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Ms Elroy, Quirk & Ruck*

Lake Charles, Louisiana  
May 3, 2002



THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISH OF CALCASIEU, LOUISIANA

SUMMARY OF AUDITOR'S RESULTS

Year Ended December 31, 2001

Financial Statements

We have audited the financial statements of The Fourteenth Judicial District, Indigent Defender Board, Parish of Calcasieu, Louisiana, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 3, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2001 resulted in an unqualified opinion.

Internal control over financial reporting:

- Material weaknesses   X   Yes        No
- Other conditions        Yes   X   No

Compliance

- Noncompliance material to financial statements noted?        Yes   X   No

THE FOURTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISH OF CALCASIEU, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
PRIOR YEAR FINDINGS

Year Ended December 31, 2001

**Compliance Findings:**

The Board failed to comply with Louisiana State Statute that requires that bank statements, including cancelled checks, be examined and that the bank balance to be reconciled to the books of account. This matter was resolved in 2001.

The Board failed to file IRS Forms 1099 in some instances and the incorrect amount was reported on several of the Forms 1099 that were filed. This matter was resolved in 2001.

**Internal Control Findings:**

Because of the small size of the Board's office staff, the opportunity for segregation of duties was limited. This matter continues to exist and has been discussed in the report on compliance and internal controls at item 2001-01.

Internal controls failed to timely reconcile the bank balances with book balances. This matter has been resolved.

Internal controls failed to require that financial statements be prepared and presented to the governing body on a timely basis. This matter was resolved in 2001.